

APPENDIX A
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PARK WATER COMPANY
Test Year 2004
Summary of Earnings

	(At Present Rates)		ADOPTED	
	PWC updated	ORA updated	At Present Rates	At Authorized ROR
	'(Dollars in Thousands)		(Dollars in Thousands)	
Operating Revenues:				
Water	18,078.9	18,078.9	18,078.9	18,882.0
Deferred	2.5	2.5	2.5	2.5
Misc.	152.4	152.4	152.4	152.4
Other	-	121.6	-	-
Total Revenues	18,233.8	18,355.4	18,233.8	19,036.9
Expenses:				
O&M Expenses				
Payroll-Operations	588.0	588.0	588.0	588.0
Operations-Other	143.4	131.3	131.3	131.3
Purchased Water	5,978.9	5,795.7	5,795.7	5,795.7
Purchased Power	153.4	172.8	172.8	172.8
Leased Water Rights	348.8	437.9	437.9	437.9
Replenishment Charges	176.4	221.4	221.4	221.4
Chemicals	4.1	4.1	4.1	4.1
Payroll-Customer	653.3	653.3	653.3	653.3
Customers-Other	147.8	146.6	146.6	146.6
Payroll-Maintenance	321.1	321.1	321.1	321.1
Maintenance-Other	438.9	352.5	438.9	438.9
Payroll-Clearings	81.7	81.7	81.7	81.7
Clearings-Other	315.1	270.4	315.1	315.1
Uncollectibles 0.52%	94.8	95.4	94.8	99.0
Subtotal O&M	9,445.7	9,272.2	9,402.7	9,406.9
A&G Expenses				
Payroll	1,171.9	1,171.9	1,171.9	1,171.9
Payroll-Benefits	916.1	916.1	916.1	916.1
Insurance	786.3	734.9	786.3	786.3
Uninsured Property Damage	-	-	-	-
Regulatory Commission Expenses	58.5	50.2	50.2	50.2
Outside Services	117.7	100.0	117.7	117.7
Office Supplies	353.5	313.4	353.5	353.5
A&G Transferred	(123.2)	(99.0)	(123.2)	(123.2)
Miscellaneous	46.0	37.5	46.0	46.0
Franchise Requirements .40%	72.9	72.3	72.9	76.1
Main Office Allocation				
A&G Expenses	1,567.3	1,555.8	1,565.7	1,565.7
Data Processing	-	-	-	-
Subtotal A&G	4,967.0	4,853.1	4,957.1	4,960.3
Ad Valorem Taxes	241.4	208.4	241.4	241.4
Payroll Taxes	249.3	249.3	249.3	249.3
Depreciation Expenses	1,195.8	1,191.6	1,195.8	1,195.8
California Income Tax	107.9	152.0	112.7	183.0
Federal Income Tax	495.2	648.1	511.8	782.3
Total Operating Expenses	16,702.50	16,574.70	16,670.70	17,019.00
Net Operating Revenue	1,531.3	1,780.7	1,563.1	2,017.9
Rate Base	21,225.0	19,863.4	21,218.3	21,218.3
Rate of Return	7.21%	8.96%	7.37%	9.51%

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PARK WATER COMPANY
Test Year 2005
Summary of Earnings

	(At Present Rates)		ADOPTED		
	PWC updated	ORA updated	At Present Rates	At 2004 Rates	At Authorized ROR
	'(Dollars in Thousands)		(Dollars in Thousands)		
Operating Revenues:					
Water	18,990.3	18,322.7	18,126.5	18,928.3	19,441.3
Deferred	1.9	1.9	1.9	1.9	1.9
Misc.	152.4	152.4	152.4	152.4	152.4
Other	-	121.6	-	-	-
Total Revenues	19,144.6	18,598.6	18,280.8	19,082.5	19,595.5
Expenses:					
O&M Expenses					
Payroll-Operations	611.7	611.7	611.7	611.7	611.7
Operations-Other	188.3	171.8	171.8	171.8	171.8
Purchased Water	6,256.7	5,812.5	5,812.5	5,812.5	5,812.5
Purchased Power	153.4	172.8	172.8	172.8	172.8
Leased Water Rights	355.8	446.6	446.6	446.6	446.6
Replenishment Charges	176.4	221.4	221.4	221.4	221.4
Chemicals	4.2	4.2	4.2	4.2	4.2
Payroll-Customer	679.5	679.5	679.5	679.5	679.5
Customers-Other	151.3	150.3	150.3	150.3	150.3
Payroll-Maintenance	333.1	333.1	333.1	333.1	333.1
Maintenance-Other	442.6	361.2	442.6	442.6	442.6
Payroll-Clearings	84.6	84.6	84.6	84.6	84.6
Clearings-Other	324.7	278.3	324.7	324.7	324.7
Uncollectibles 0.52%	99.6	96.7	95.1	99.2	101.9
Subtotal O&M	9,861.9	9,424.7	9,550.8	9,555.0	9,557.7
A&G Expenses					
Payroll	1,177.3	1,177.3	1,177.3	1,177.3	1,177.3
Payroll-Benefits	953.6	953.6	953.6	953.6	953.6
Insurance	919.6	827.9	919.6	919.6	919.6
Uninsured Property Damage	-	-	-	-	-
Regulatory Commission Expenses	58.5	50.2	50.2	50.2	50.2
Outside Services	120.5	103.9	120.5	120.5	120.5
Office Supplies	360.9	319.7	360.9	360.9	360.9
A&G Transferred	(126.2)	(66.2)	(126.2)	(126.2)	(126.2)
Miscellaneous	47.1	38.3	47.1	47.1	47.1
Franchise Requirements .40%	76.6	74.4	73.1	76.4	78.4
Main Office Allocation					
A&G Expenses	1,626.8	1,610.2	1,625.7	1,625.7	1,625.7
Data Processing	-	-	-	-	-
Subtotal A&G	5,214.7	5,089.3	5,201.7	5,205.0	5,207.0
Ad Valorem Taxes	260.7	221.8	260.7	260.7	260.7
Payroll Taxes	255.6	255.6	255.6	255.6	255.6
Depreciation Expenses	1,265.8	1,250.1	1,265.9	1,265.9	1,265.9
California Income Tax	123.8	138.4	76.8	147.1	192.0
Federal Income Tax	516.9	524.2	336.5	606.6	779.4
Total Operating Expenses	17,499.40	16,904.10	16,948.00	17,295.74	17,518.15
Net Operating Revenue	1,645.2	1,694.5	1,332.9	1,786.8	2,077.4
Rate Base	22,131.0	19,964.5	21,867.6	21,867.6	21,867.6
Rate of Return	7.43%	8.49%	6.10%	8.17%	9.50%

(END OF APPENDIX A)

APPENDIX B
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PARK WATER COMPANY
Schedule No. PR-1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Within all service areas in Los Angeles County as delineated in the service area maps included in the tariff schedules.

RATES

	Per Meter Per Month	
Per 100 cu. ft.	\$ 2.201	(l)
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 13.78	(l)
For 3/4-inch meter	20.70	
For 1-inch meter	34.50	
For 1 1/2-inch meter	68.90	
For 2-inch meter	110.20	
For 3-inch meter	207.00	
For 4-inch meter	345.00	
For 6-inch meter	689.00	
For 8-inch meter	1,102.00	
For 10-inch meter	1,585.00	
For 12-inch meter	2,274.00	(l)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the bimonthly charge computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All charges under this schedule to customers in the City of Norwalk subject to surcharge of 2.04 percent.
2. A late charge will be imposed per Schedule LC.
3. In accordance with Section 2714 of the Public Utilities Code, if a tenant in a rental unit leaves owing the Company, service to the subsequent tenants in that unit will, at the Company's option be furnished on the account of the landlord or property owner.
4. All bills subject to the reimbursement fee set forth on Schedule No. UF.

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PARK WATER COMPANY

Schedule No. PR-1

GENERAL METERED SERVICE

AUTHORIZED STEP INCREASES

Each of the following increases in rates may be put into effect by filing a rate schedule which adds the appropriate increase to the rates at that time

	Rates to be Effective	
	2005	2006
Quantity Rate:		
For all water delivered per 100 cu. ft.	\$ 0.044	\$ 0.037
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 0.60	\$ 0.64
For 3/4-inch meter	0.90	0.90
For 1-inch meter	1.50	1.60
For 1 1/2-inch meter	3.00	3.20
For 2-inch meter	4.80	5.20
For 3-inch meter	8.70	9.30
For 4-inch meter	14.50	16.50
For 6-inch meter	30.00	32.00
For 8-inch meter	48.40	51.60
For 10-inch meter	68.70	73.30
For 12-inch meter	98.70	105.30

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PARK WATER COMPANY

Schedule No. PR-4F

NON-METERED FIRE SPRINKLER SERVICE

APPLICABILITY

Applicable only for water service to privately owned non-metered fire sprinkler systems and hydrants where water is to be used only in case of fire.

TERRITORY

Within all service areas in Los Angeles County as delineated on the service area maps included in the tariff schedules.

RATES

		Per Service	
		Per Month	
Service Charge:			
For	2-inch	\$ 12.60	(l)
For	3-inch	16.70	
For	4-inch	24.80	
For	6-inch	36.60	
For	8-inch	54.20	
For	10-inch	79.80	
For	12-inch	115.40	(l)

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility with the cost thereof paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be two (2) inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all Other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

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PARK WATER COMPANY

Schedule No. PR-4F

NON-METERED FIRE SERVICE
(Continued)

4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the board of Fire Underwriters for protection against theft, leakage or waste of water, and the cost paid by the applicant. Such payment shall not be subject to refund.
5. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of its system.
6. Any unauthorized use of water, other than for fire extinguishing purposes, shall be charged for at the regular established rate as set forth under Schedule No.PR-1, and/or may be the grounds for the immediate disconnection of the service without liability to the Company.
7. The utility reserves the right to limit the installation of private fire hydrant service to such areas where public fire hydrant does not exist or where public fire hydrant service is limited in scope to the detriment of the applicant.
8. A late charge will be imposed per Schedule No. LC.
9. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

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PARK WATER COMPANY

Schedule No. PR-4F

NON-METERED FIRE SPRINKLER SERVICE

AUTHORIZED STEP INCREASES

		Rates to be Effective	
		<u>1-1-05</u>	<u>1-1-06</u>
Size of Service			
For	2-inch	\$ 0.60	\$ 0.60
For	3-inch	0.70	0.80
For	4-inch	1.10	1.10
For	6-inch	1.60	1.70
For	8-inch	2.40	2.50
For	10-inch	3.40	3.70
For	12-inch	5.00	5.40

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PARK WATER COMPANY
Schedule No. PR-6

RECLAIMED WATER SERVICE

APPLICABILITY

Applicable to metered reclaimed water service.

TERRITORY

Within all service areas in Los Angeles County as delineated on the service area maps included in the tariff schedules.

RATES

Quantity Rate:

	Per Meter Per Month	
	\$ 1.891	(l)
Per 100 cu. ft.		
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 11.00	(l)
For 3/4-inch meter	16.60	
For 1-inch meter	27.60	
For 1 1/2-inch meter	55.10	
For 2-inch meter	88.00	
For 3-inch meter	166.00	
For 4-inch meter	276.00	
For 6-inch meter	551.00	
For 8-inch meter	882.00	
For 10-inch meter	1,268.00	
For 12-inch meter	1,819.00	(l)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the bimonthly charge computed at the Quantity Rates.

SPECIAL CONDITIONS

1. The user (customer) is responsible for on-site compliance with local, state, or federal regulations that may apply to the use of an approved reclaimed water source.
2. All charges under this schedule to customers in the City of Norwalk are subject to a surcharge of 2.04 percent.
3. A late charge will be imposed per Schedule No. LC.
4. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

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PARK WATER COMPANY
Schedule No. PR-6

RECLAIMED WATER SERVICE

Each of the following increases in rates may be put into effect by filing a rate schedule which adds the appropriate increase to the rates at that time.

		Rates to be Effective	
		1-1-05	1-1-06
Quantity	Rate		
For all water delivered per 100 cu. ft.		\$ 0.044	\$ 0.037
Service Charge:			
For	5/8 x 3/4-inch meter	\$ 0.50	\$ 0.50
For	3/4-inch meter	0.70	0.70
For	1-inch meter	1.20	1.30
For	1 1/2-inch meter	2.40	2.60
For	2-inch meter	4.00	4.20
For	3-inch meter	6.60	7.40
For	4-inch meter	11.60	13.20
For	6-inch meter	24.20	25.60
For	8-inch meter	38.30	41.30
For	10-inch meter	55.00	58.60
For	12-inch meter	79.20	84.20

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PARK WATER COMPANY
Schedule No. PR-9CM

CONSTRUCTION AND OTHER TEMPORARY METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished for construction and other temporary purposes.

TERRITORY

Within all service areas in Los Angeles County as delineated on the maps included in the tariff schedules.

RATES

Monthly quantity rates and service charge listed in Schedule PR-1, General Metered Service will apply to service furnished under this schedule.

SPECIAL CONDITIONS

1. Where it is necessary to install or relocate a meter to furnish service under this schedule, and such meter may be connected to the utility's existing facilities, the following charges will apply:

- | | | |
|----|--|---------|
| a. | For installation and removal of the meter | \$25.00 |
| b. | For each relocation of the meter within the same local area as the original installation | \$12.50 |

2. Where no suitable outlet exists at the point where service is desired, the necessary facilities will be installed under the provisions of Rule No. 13, Temporary Service.

3. In case a meter is installed or used under conditions which are considered by the utility to subject the meter to unusual hazards, the applicant will be required to deposit with the utility the amount, shown in the table below, which corresponds to the size and type of meter installed:

Size of Meter	Amount of Deposit
5/8 x 3/4 or 3/4 inch	\$ 30.00
1-inch disc	60.00
1-1/2 inch	125.00
2-inch disc or torrent	200.00
2-1/2 inch Sparling Fire Hydrant	250.00
3-inch disc or torrent	700.00 (l)

The deposit less the cost of any repairs other than those due to normal depreciation, will be returned to the customer upon completion of the service for which the meter was installed.

4. A late charge will be imposed per Schedule No. LC.

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PARK WATER COMPANY
Schedule No. LC

LATE PAYMENT CHARGE

APPLICABILITY

Applicable to all service.

TERRITORY

Within the entire service area of the Company.

RATES

Late Charge: A late charge of 1.5% on unpaid balance subject to special conditions and minimum charge below:

Minimum Charge: The minimum charge is \$1.00

SPECIAL CONDITIONS

1. The balance is unpaid and subject to a late charge if the bill is Past-Due, or delinquent, as defined in Rule No, 11, Section B.1.a.
2. The late charge should be imposed only once on a delinquent bill since the account would be shut off before a subsequent bill and then subject to the reconnection fee as authorized by Tariff Rule No. 11.
3. All bills shall be subject to the reimbursement fee as set forth on Schedule No. UF.

PARK WATER COMPANY
Schedule No. UF

~~SURCHARGE TO FUND PUBLIC UTILITIES
COMMISSION REIMBURSEMENT FEE~~

APPLICABILITY

This surcharge applies to all water bills rendered under all tariff rate schedules authorized by the Commission.

TERRITORY

This schedule is applicable within the entire territory service by the utility.

RATES*

A 1.4% surcharge shall be added to all customer bills.

~~*In 1982 the Legislature established a Public Utility Commission Reimbursement Fee to be paid by all water and sewer system corporations to fund their regulation by the Commission. Public Utilities (PU) Code Sections 401-442. The surcharge to defray the cost of that fee is ordered by the Commission under authority granted by PU Code Section 403.~~

(END OF APPENDIX B)

APPENDIX C

PARK WATER COMPANY

COMPARISON OF RATES

	2004			
	PRESENT	ADOPTED	INCREASE	PERCENT
0	12.34	13.78	1.44	11.67%
10	34.00	35.79	1.79	5.26%
13 AVG	40.50	42.39	1.90	4.68%
20	55.66	57.80	2.14	3.84%
30	77.32	79.81	2.49	3.22%
50	142.3	145.84	3.54	2.49%
	2005			
	PRESENT	ADOPTED	INCREASE	PERCENT
0	13.78	14.38	0.60	4.35%
10	35.79	36.83	1.04	2.91%
13 AVG	42.39	43.57	1.17	2.76%
20	57.80	59.28	1.48	2.56%
30	79.81	81.73	1.92	2.41%
50	145.84	149.08	3.24	2.22%
	2006			
	PRESENT	ADOPTED	INCREASE	PERCENT
0	14.38	15.02	0.64	4.45%
10	36.83	37.84	1.01	2.74%
13 AVG	43.57	44.69	1.12	2.57%
20	59.28	60.66	1.38	2.33%
30	81.73	83.48	1.75	2.14%
50	149.08	151.94	2.86	1.92%

NOTE: BASED ON MONTHLY CHARGES ACCORDING TO SCHEDULE NO. PR-1 FOR A 5/8 X ¾ INCH METER

APPENDIX D

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PARK WATER COMPANY

ADOPTED QUANTITIES

Net-to-Gross Multiplier		1.7694
Uncollectibles Rate		0.52%
Franchise Rate		0.40%
Federal Tax Rate		34.00%
State Tax Rate		8.84%
1. WATER CONSUMPTION(KCcf)	2004	2005
Domestic Water Sales	5,867.5	5,882.9
Unaccounted Domestic Water (2.0%)	107.5	107.8
Total Domestic Production	5,975.0	5,990.7
Reclaimed Water Sales	176.6	176.6
Unaccounted for Water (0.0%)	0	0
Total Reclaimed Production	176.6	176.6
2. PURCHASED POWER (\$)		
Pumping Costs (1,883 A.F.)		
Electric	165,511	165,511
Gas	7,320	7,320
Total	172,831	172,831
Cost per A.F.	91.79	91.79
3. PURCHASED WATER		
Central Basin MWD (A.F.)	11,834	11,870
Minimum Violations (A.F.)	45	45
Total Domestic Purch. Water (A.F.)	11,879	11,915
Reclaimed (A.F.)	405	405
Central Basin MWD (\$467/A.F.)	\$5,547,489	\$5,564,305
Service Charge	27,000	27,000
Capacity Reservation Charge	109,350	109,350
Total Domestic Purch. Water (\$)	5,683,839	5,700,654
Reclaimed		
First 25 A.F. Per Month \$282/A.F.	80,113	80,113
25-50 A.F. Per Month @\$262/A.F.	31,702	31,702
Total Reclaimed	111,815	111,815
4. REPLENISHMENT (1883 A.F. @ \$117.60/A.F.)	221,441	221,441
5. LEASED WATER RIGHTS (1883 A.F. @ \$232.56, \$237.21/A.F.)	437,910	446,669
6. WATER USE (Ccf/Cust)		
Residential	159.6	159.6
Business	802.5	802.5

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PARK WATER COMPANY
ADOPTED QUANTITIES

7. ADOPTED AVERAGE SERVICE BY METER

Domestic Meter

	2004	2005
5/8 x 3/4"	25,816	25,887
3/4"	2	2
1"	626	628
1 1/2"	229	230
2"	278	278
3"	55	55
4"	35	35
6"	17	17
8"	3	3
10"	0	0

Total Domestic Metered

27,061	27,135
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Fire Service

2"	2	2
4"	35	36
6"	68	69
8"	54	55
10"	6	6
12"	2	2

Total Fire Service

167	170
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Reclaimed

1"	1	1
1 1/2"	2	2
2"	9	9
3"	10	10
4"	6	6

Total Reclaimed

28	28
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TOTAL CUSTOMERS

27,256	27,333
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PARK WATER COMPANY
RATE BASE SUMMARY
TEST YEAR 2004

AVERAGE BALANCES	PWC 2004	ORA 2004	DECISION 2004
PLANT IN SERVICE	38,036.4	37,821.9	38,036.4
WORK IN PROGRESS	126.7	87.2	87.2
MATERIALS & SUPPLIES	114.2	114.2	114.2
WORKING CASH	954.5	(191.6)	987.2
SUBTOTAL	39,231.7	37,831.7	39,225.0
LESS:			
DEPRECIATION RESERVE	12,264.8	12,262.7	12,264.8
ADVANCES	2,070.5	2,070.5	2,070.5
CONTRIBUTIONS	2,273.2	2,273.2	2,273.2
UNAMORTIZED ITC	117.3	117.3	117.3
DEFERRED INCOME TAX	2,937.5	2,901.2	2,937.5
SUBTOTAL	19,663.4	19,624.9	19,663.4
PLUS:			
METHOD 5 ADJUSTMENT	55.1	55.1	55.1
NET DISTRICT RATE BASE	19,623.4	18,261.8	19,616.7
MAIN OFFICE ALLOCATION	1,601.5	1,601.5	1,601.5
TOTAL RATE BASE	21,225.0	19,863.4	21,218.3

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**PARK WATER COMPANY
RATE BASE SUMMARY
TEST YEAR 2005**

AVERAGE BALANCES	PWC 2005	ORA 2005	DECISION 2005
PLANT IN SERVICE	40,183.7	39,365.8	40,183.7
WORK IN PROGRESS	343.5	23.0	23.0
MATERIALS & SUPPLIES	117.1	117.1	117.1
WORKING CASH	907.6	(225.1)	964.8
SUBTOTAL	41,551.9	39,280.7	41,288.6
LESS:			
DEPRECIATION RESERVE	13,134.9	13,122.9	13,134.9
ADVANCES	2,225.4	2,225.4	2,225.4
CONTRIBUTIONS	2,258.1	2,258.1	2,258.1
UNAMORTIZED ITC	110.3	110.3	110.3
DEFERRED INCOME TAX	3,254.1	3,180.4	3,254.1
SUBTOTAL	20,982.9	20,897.1	20,982.9
PLUS:			
METHOD 5 ADJUSTMENT	45.3	45.3	45.3
NET DISTRICT RATE BASE	20,614.4	18,428.9	20,351.0
MAIN OFFICE ALLOCATION	1,516.6	1,516.6	1,516.6
TOTAL RATE BASE	22,131.0	19,945.5	21,867.6

APPENDIX D

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PARK WATER COMPANY
INCOME TAX CALCULATIONS
TEST YEAR 2004 AT ADOPTED RATES
(Dollars in Thousands)

ITEM	PWC	ORA	DECISION
OPERATING REVENUES	19,094.2	18,550.5	19,036.9
EXPENSES			
OPERATIONS & MAINTENANCE	9,450.3	9,273.3	9,406.8
ADMINISTRATION & GENERAL	4,960.3	4,844.8	4,950.1
TAXES OTHER THAN INCOME	490.7	457.7	490.7
SUBTOTAL	14,901.2	14,575.7	14,847.7
DEDUCTIONS			
CA TAX DEPRECIATION	1,393.5	1,383.8	1,393.5
INTEREST	725.9	679.0	725.7
CA TAXABLE INCOME	2,073.6	1,912.0	2,070.1
CCFT @ 8.9%	183.3	169.0	183.0
DEDUCTIONS			
FED. TAX DEPRECIATION	1,028.3	1,023.5	1,028.3
INTEREST	725.9	679.0	725.7
CA. TAX	107.9	152.0	112.7
FIT TAXABLE INCOME	2,330.9	2,120.2	2,322.6
FIT (BEFORE ADJUSTMENT) @ 34.12%	792.5	720.9	789.7
PRORATED ADJUSTMENT			
INVESTMENT TAX CREDIT	(7.4)	(7.4)	(7.4)
NET FEDERAL INCOME TAX	785.1	713.5	782.3

APPENDIX D
Page 6 of 6

PARK WATER COMPANY
INCOME TAX CALCULATIONS
TEST YEAR 2005 AT ADOPTED RATES
(Dollars in Thousands)

ITEM	PWC	ORA	DECISION
OPERATING REVENUES	19,951.6	19,039.9	19,595.5
EXPENSES			
OPERATIONS & MAINTENANCE	9,866.0	9,426.9	9,557.6
ADMINISTRATION & GENERAL	5,207.3	5,080.5	5,196.5
TAXES OTHER THAN INCOME	516.3	477.4	516.2
SUBTOTAL	15,589.5	14,984.8	15,270.4
DEDUCTIONS			
CA TAX DEPRECIATION	1,407.6	1,371.1	1,407.6
INTEREST	754.7	680.8	745.7
CA TAXABLE INCOME	2,199.7	2,003.2	2,171.9
CCFT @ 8.9%	194.5	177.1	192.0
DEDUCTIONS			
FED. TAX DEPRECIATION	1,082.4	1,063.9	1,082.4
INTEREST	754.7	680.8	745.7
CA. TAX	183.3	168.8	183.0
FIT TAXABLE INCOME	2,341.6	2,141.6	2,314.1
FIT (BEFORE ADJUSTMENT) @ 34.12%	796.1	728.1	786.8
PRORATED ADJUSTMENT			
INVESTMENT TAX CREDIT	(7.4)	(7.4)	(7.4)
NET FEDERAL INCOME TAX	788.8	720.8	779.4

(END OF APPENDIX D)

APPENDIX E

**PARK WATER COMPANY
ATTRITION CALCULATION FOR 2006**

Financials

Rate of Return Adopted Authorized for 2006	9.49%
Rate of Return Adopted Authorized for 2005	9.50%
Difference:	<u>-0.01%</u>

Operational

2004 Rate of Return at Present Rates	7.37%
2004 Rate of Return at Present Rates	6.10%
Difference:	<u>1.27%</u>

Total Attrition**1.26%**

Net to Gross Multiplier	1.769434000
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2005 Rate Base	\$21,867,614
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2006 Attrition = Total Attrition x 2005Rate Base x Net-to-Gross	\$487,536
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Operating Revenues for 2006 = (2005 Operating Revenue + 2006 Attrition)

Operating Revenue for 2005	\$19,595,500
Operating Revenue for 2006	\$20,083,036

Increase from 2005 to 2006	2.4880%
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(END OF APPENDIX E)